

Fee for Service Rate Methodology Workgroup

MEETING NOTES

Date: November 7, 2005 (Monday)

Time: 1:00 p.m. – 4:00 p.m.

Where: Capitol Common - Conference Room E
400 S. Pine
Lansing, MI 48933

Attendees: Lynn Borck, Michael DeVault, Linda Garvin, Julie Greenway, Toni Hornberger, Sean Huse, Ed Kemp, Thomas Koepke, Maryann Lorkowski, Helen McNamara, Kathy Merry, Bob Moore, Pam O'Farrell, Liz Patrick, Susan Powell, Robert Readler, Jane Reagan, John Shaughnessy, Jeff Siegel, Linda Sowle, Dave Stirdivant, Toni Sturgis

Handouts: PCG Presentation

Highlighted areas are tasks to be completed prior to next meeting.

➤ Introductions

➤ PCG Presentation

▪ CMS Conference Call

- CMS will only accept the aggregate reconciliation at the ISD level
- CMS does not need the interim payment methodology documented in the State Plan Amendment
- Cost reconciliation – determines the difference between the interim payments and the actual cost to identify over or under payment.
 - ◆ If underpaid, it is up to the state to decide whether to pay the difference. Per Ed the State will reimburse the ISDs up to cost.
 - ◆ If overpaid, a settlement must be done so that the federal share is returned.
- The State Plan Amendment must include language to indicate the time frame between cost reconciliation and cost settlement.
- CMS suggested arriving at the Medicaid eligibility factor via a formula that divides the Medicaid IEP students by the total IEP students times the School Based Services cost.
 - ◆ Department of Community Health and the ISDs would like this formula to be adjusted to reflect the number of Medicaid eligible students with a health related IEP divided by the total number of students with a health related IEP times the clinician specific School Based Services cost. This would more accurately correlate the number of Medicaid beneficiaries to the School Based Services cost pool.
 - It will be up to the ISDs and Medicaid to document how the number of students with health related IEPs will be obtained, audited and substantiate its validity.
- CMS has indicated that a time study would need to be done to document the direct medical service time by clinician and it would need to be documented as to which clinicians are included in the time study.
 - ◆ CMS has indicated that their preference would be to see the Administrative Outreach time study used to obtain the direct care percentage.
 - Michelle Simmons and the State will meet to discuss the needed changes to the Random Moment Time Study methodology and the cost associated with the changes. The contract for Fiscal 2007 will need to be amended if this function is added.
- CMS may be reviewing the staff that are listed as “qualified providers”.
- Transportation needs to be looked at separately from the direct service side of the program.

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- ♦ Julie will check with CMS Central Office to find out if Transportation services can be transferred to the Administrative Outreach side and if so if this would eliminate the need for trip logs.
- CMS Issues:
 - ♦ They do not see the pre and post time as a separately billable item since it is included in the Administrative Outreach code 13.
 - ♦ Allowed administrative cost is that from the time study.
 - ♦ CMS will not allow the Productivity/Billable factor.
- Aggregate Cost Modeling and Cost Report Review
 - Rates must still be developed for each billable service on an interim basis.
 - The reimbursement created via the interim rate should be as close to cost as possible.
 - PCG has developed a draft cost report.
 - ♦ The modified cost report includes 13 additional data fields.
 - ♦ Mike DeVault, Jeff Siegel, and Jane Reagan will meet with Jackie Thompson to assess the possibility of modifying the existing SE-4096 to capture the additional data needs.
- Indirect Cost Rate
 - MDCH will continue to pursue the inclusion of the Debt Service, Capital and other expenses in the indirect rate calculation
 - Pursuant to federal regulations the MDE Federal ICR rate only includes function codes 25 and higher.
 - In order to get these indirect costs included in the calculation a new indirect rate would have to be developed for Medicaid billing and approved by the cognizant agency.
 - ♦ A meeting is scheduled for 11/8/05 with Michelle Simmons, Helen McNamara, Penny Dipple, Toni Hornberger and Liz Patrick to discuss the possible changes needed.
 - ♦ Helen McNamara will see if she can arrange for a meeting with the appropriate MDE staff to receive clarification on the issue.
- State Plan Amendment
 - This should be a draft SPA with a cover letter giving a brief history of why the rate methodology is being modified.
 - The draft of the SPA should be sent to the group for review prior to the next meeting.
- Next Steps
 - Prepare draft of State Plan Amendment for review by workgroup prior to 11/22/05.
 - Submit deliverables to CMS by 11/30/05.
- Next meetings:
 - November 22, 2005 1:00-3:00
 - February ??, 2006 (to be determined)
 - May 23, 2006 1:00-3:00
 - July 25, 2006 1:00-3:00
 - August 22, 2006 1:00-3:00
 - November 28, 2006 1:00-3:00